

June 13, 2003

TO: Internal File

FROM: Wayne H. Western, Team Lead

RE: Bond Adjustment, Genwal Resources, Inc. Crandall Canyon Mine, C/015/032-AM03A

**SUMMARY:**

The Division and the Permittee have been working on a bond adjustment for approximately 3 months. Both parties have agreed on the reclamation cost estimate. In order to keep the numbers consistent the Division gave the Permittee their bond calculations. The Permittee copied the bond calculations and submitted them as part of amendment AM03A

The current bond amount is \$1,654,000 and the reclamation cost estimate is \$1,598,000. Therefore, the Permittee has sufficient bond. The Permittee has been informed that they could reduce the bond amount to \$1,598,000. However, they prefer to keep the bond amount at the current amount of \$1,654,000.

**TECHNICAL MEMO**

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**TECHNICAL ANALYSIS:**

**RECLAMATION PLAN**

**BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

**Analysis:**

**Determination of Bond Amount**

The Division determined the reclamation cost to be \$1,598,000 in 2007 dollars. The Division determined the bond amount by using the methods outline in Technical Directive 007, Calculation Guidelines for Determining Reclamation Bond Amounts.

The Division and the Permittee evaluated the reclamation cost estimate and agreed that the bond amount should be \$1,598,000. Since the Permittee's calculations were slightly different than the Division's, both parties agreed to use the Division's numbers. The Division gave the Permittee worksheets, which they then submitted as part of amendment AM03A.

The main changes to the bond were disposal costs for excess fill material. The Permittee should that they could dispose of the excess fill for \$1.00 per cubic yard instead of the \$4.00 per cubic yard in the approved bond.

**Findings:**

The Permittee has met the minimum requirements of the bonding and insurance section of the regulations.

**RECOMMENDATIONS:**

The Division should approve the amendment.